



NEWS

CONSTRUCTION CONTINUES TO HELP BUILD NEW BRUNSWICK ECONOMY, SAYS RBC ECONOMICS

TORONTO, January 11, 2008 — With a solid line-up of projects, such as the Canaport LNG terminal, construction of a new potash mine expected to commence next year and the prospect of a second major oil refinery in the near future, New Brunswick will continue to see steady economic growth of about 2.5 per cent for 2008 and 2009, according to the latest provincial economic outlook released today by RBC.

“Near-term growth prospects remain healthy as strength in the construction and mining industries has helped offset weakness in manufacturing and forestry,” said Craig Wright, senior vice-president and chief economist, RBC. “Economic growth for New Brunswick should continue to improve for 2008 and 2009 as large scale energy-related capital investments continue.”

A constant flow of new projects has been critical to the province’s strong labour market. Job gains have continued to improve, most notably in the construction sector which accounted for almost half of the 6,500 jobs created in the province last year. A new \$1.6-million potash mine to begin a four-year construction phase, once final approval is granted next year, is expected to generate 2,500 construction jobs and an additional 140 full-time production jobs. The report also noted that while the proposed second gas refinery is still in the environmental approval process and several steps need to be taken before it is a certainty, it would be a sizeable boost to New Brunswick’s economy.

Across Canada, Alberta leads all provinces with above-average economic growth, followed by Saskatchewan and Nova Scotia. On the opposite end of the scale, and showing a complete turnabout with its mega-projects now in maturation, Newfoundland and Labrador is posting the slowest economic growth rate of 0.5 per cent, and on its heels is P.E.I., as well as Quebec and Ontario with its manufacturing woes. However, a more bullish outlook is in store by the end of this decade for Newfoundland and Labrador, New Brunswick, Nova Scotia and, in particular, Saskatchewan, where there is a possibility for a triple play of diamond mining, rich uranium deposits and a massive oil strike in the southeastern part of the province.

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The RBC Economics *Provincial Outlook* assesses the provinces according to economic growth, employment growth, unemployment rates, personal income growth, retail sales, housing starts, and the Consumer Price Index.

According to the report (available online as of 8 a.m. E.S.T., at www.rbc.com/economics/market/pdf/provfcst.pdf), provincial forecast details are as follows:

	Real GDP			Housing starts			Retail sales			Employment			CPI		
	Thousands														
	07	08	09	07	08	09	07	08	09	07	08	09	07	08	09
NFLD.	9.0	0.5	1.0	2.5	2.2	1.9	10.0	6.0	2.0	0.7	0.1	0.3	1.5	1.0	1.2
P.E.I.	1.9	1.2	1.4	0.7	0.6	0.5	9.1	4.5	3.7	1.3	0.4	0.2	1.8	1.3	1.6
N.S.	2.4	3.0	3.5	4.8	4.5	4.1	4.4	4.9	6.5	1.3	1.8	2.0	1.9	1.1	2.0
N.B.	2.5	2.5	2.6	4.1	3.8	3.4	6.7	4.5	4.0	1.9	1.7	0.9	2.0	1.2	1.6
QUE.	1.9	1.7	2.5	49.4	46.9	40.4	4.4	4.0	4.1	2.2	1.2	0.9	1.6	1.1	1.6
ONT.	1.7	1.4	2.6	68.1	66.2	60.2	3.9	3.5	4.7	1.6	1.0	1.1	1.9	1.0	1.7
MAN.	3.4	3.1	2.5	5.7	5.7	5.0	9.0	5.3	3.4	1.5	1.2	1.5	2.2	1.7	1.6
SASK.	4.6	3.8	3.3	5.9	6.1	4.5	12.2	8.5	6.5	2.3	1.6	0.8	3.0	2.4	2.4
ALTA.	4.3	3.9	3.2	48.3	38.6	35.2	9.7	9.0	8.2	4.8	2.0	1.8	5.1	2.9	2.6
B.C.	3.0	2.5	3.0	38.6	35.2	28.5	7.1	6.0	7.5	3.2	1.9	2.6	1.8	1.4	2.2
CANADA	2.6	2.1	2.7	228	210	184	5.9	5.1	5.5	2.3	1.3	1.4	2.1	1.4	1.9

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